

Investor Meeting

Consolidated Performance

Results for the First Half of FY2010 and Projections for FY2010

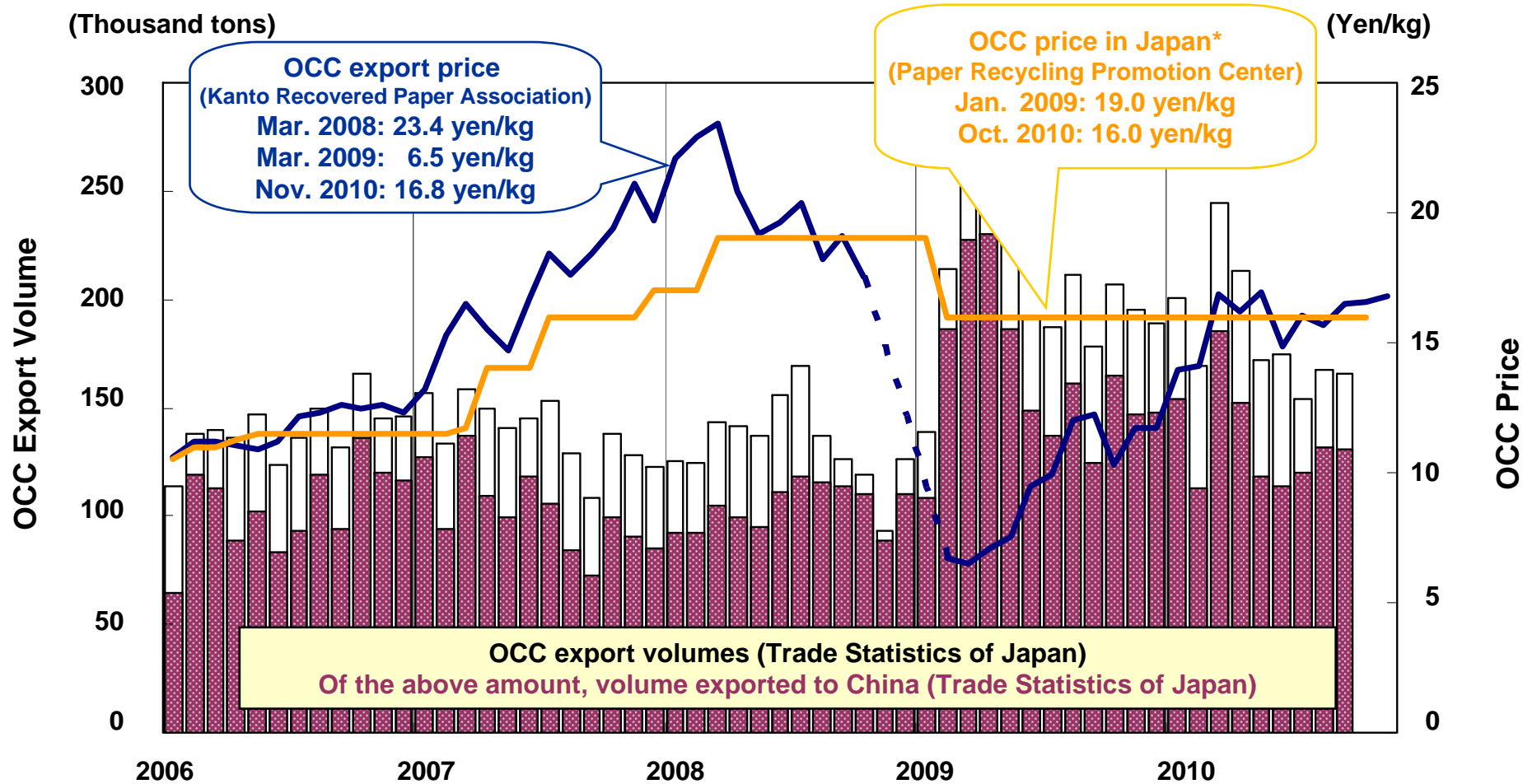
Rengo Co., Ltd.

November 17, 2010

Table of Contents

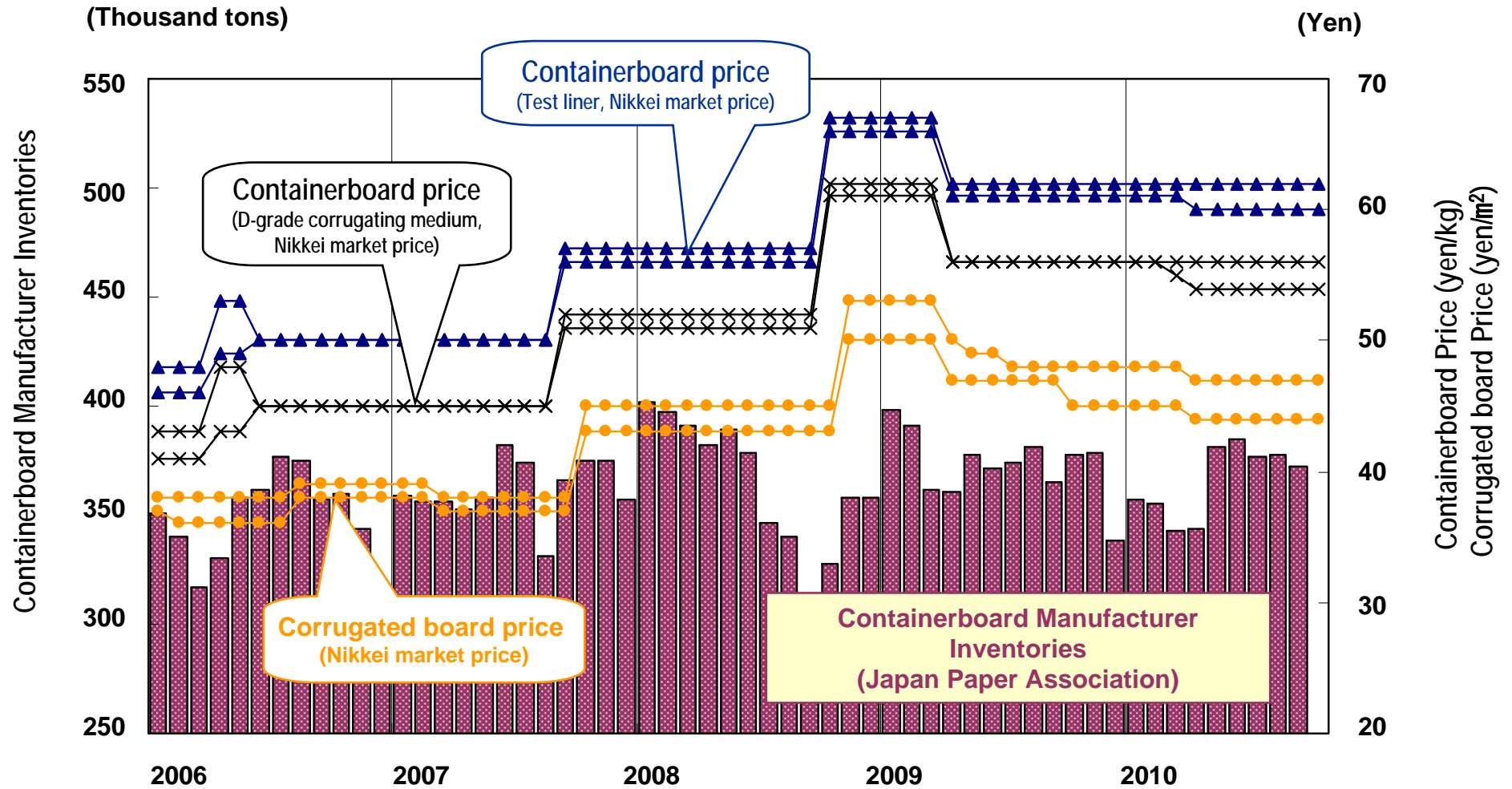
	Topic	No.	Title
I	Summary of financial results for the first half of FY2010	1	Status of Old Corrugated Containers (OCC)
		2	Status of Corrugated Packaging and Containerboard
		3	Consolidated Statements of Income (YOY)
		4	Factors Contributing to Change in Consolidated Operating Income (YOY)
		5	Consolidated Statements of Income (compared to projections)
		6	Factors Contributing to Change in Consolidated Operating Income (compared to projections)
		7	Detailed Consolidated Performance (Results for the first half of FY2010)
		8	Consolidated Assets
		9	Consolidated Liabilities and Net Assets
		10	Consolidated Statements of Cash Flows
II	Projections of financial results for the FY2010	11	Assumptions Concerning Projections for FY2010
		12	Projections of Consolidated Statements of Income for FY2010
		13	Factors Contributing to Change in Projected Consolidated Operating Income (YOY)
		14	Factors Contributing to Change in Projected Consolidated Operating Income (compared to previous projections)
		15	Detailed Consolidated Performance (Projections for FY2010)
		16	Major Financial Indicators

1. Status of Old Corrugated Containers (OCC)



* Transport costs to the paper mill (Approx. 1 yen/kg) are included.

2. Status of Corrugated Packaging and Containerboard



3. Consolidated Statements of Income (YOY)

(Unit: billion yen)

	Results for the first half of FY2009	Results for the first half of FY2010	YOY	Difference
Net sales	224.7	240.7	107.1%	16.0
Operating income	16.8	17.2	102.2%	0.4
Ordinary income	15.7	16.4	104.6%	0.7
Extraordinary gain and loss	-0.9	-2.2	-	-1.3
Net income	8.7	8.0	92.6%	-0.7

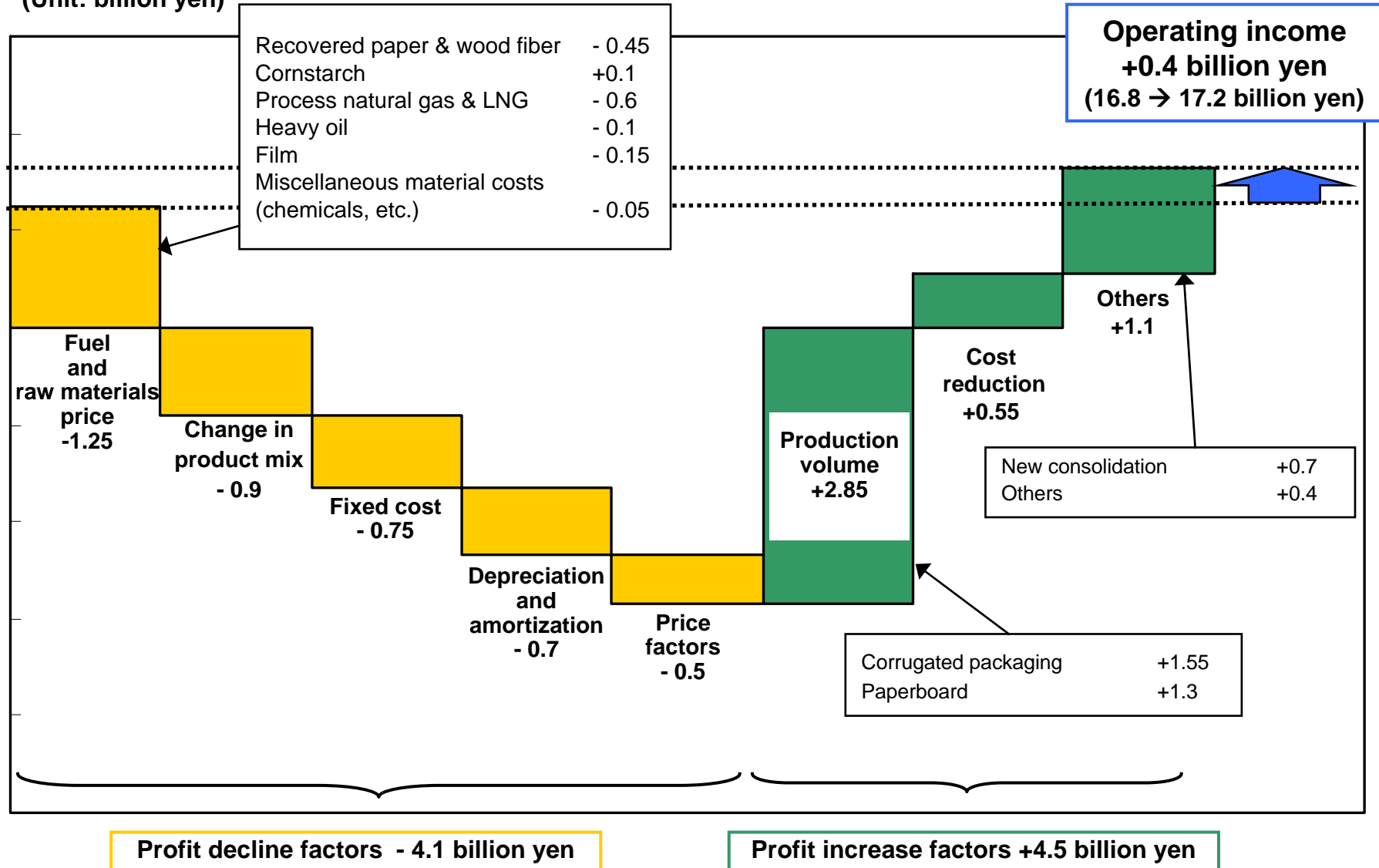
Main factors underlying extraordinary gain and loss (The first half of FY2010)

Extraordinary losses

Environmental measures expenses	-1.1 billion yen
Loss on revaluation of investments in securities	-0.5 billion yen

4. Factors Contributing to Change in Consolidated Operating Income (YOY)

(Unit: billion yen)



5. Consolidated Statements of Income (compared to projections)

(Unit: billion yen)

	Previous projections for the first half of FY2010	Results for the first half of FY2010	YOY	Difference
Net sales	238.0	240.7	101.1%	2.7
Operating income	15.0	17.2	114.5%	2.2
Ordinary income	14.0	16.4	117.2%	2.4
Extraordinary gain and loss	-1.1	-2.2	-	-1.1
Net income	7.5	8.0	107.0%	0.5

Main factors underlying extraordinary gain and loss (The first half of FY2010)

Extraordinary losses

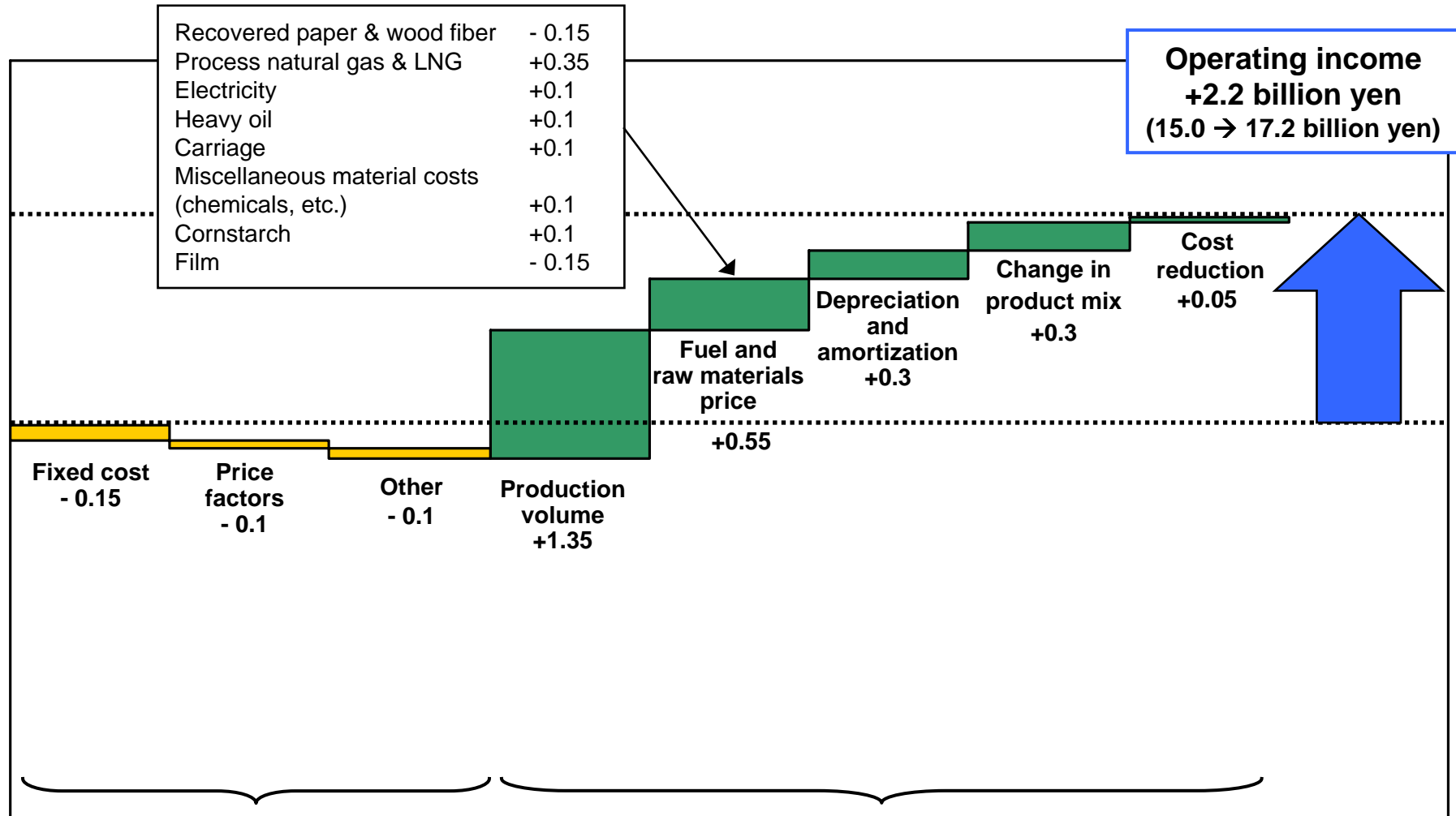
Environmental measures expenses

-1.1 billion yen

Loss on revaluation of investments in securities

-0.5 billion yen

6. Factors Contributing to Change in Consolidated Operating Income (compared to projections)



Profit decline factors - 0.35 billion yen

Profit increase factors +2.55 billion yen

7. Detailed Consolidated Performance (Results for the first half of FY2010)

	No. of Companies subject to consolidated accounting 1	Net sales (billion yen)				Ordinary income (million yen)			Production volume of containerboard (thousand tons)			Production volume of corrugated board (million m ²)			
		Results for 1H 2009	Results for 1H 2010	Results for 1H 2009	Results for 1H 2010	YOY	Results for 1H 2009	Results for 1H 2010	YOY	Results for 1H 2009	Results for 1H 2010	YOY	Results for 1H 2009	Results for 1H 2010	YOY
1	Rengo (unconsolidated)	1	1	142	146	102.8	11,274	11,314	100.4	751	797	106.1	998	1,029	103.1
2	Paper manufacturing subsidiaries in Japan	2	2	11	11	96.2	1,242	994	80.0	125	127	101.6			
3	Corrugated packaging subsidiaries in Japan	26	27	65	70	107.0	2,181	2,962	135.8				720	782	108.6
4	Flexible packaging subsidiaries in Japan	1	1	23	23	102.0	582	412	70.8						
5	Heavy duty packaging subsidiaries in Japan	2	1	6	13	212.3	267	605	226.6						
6	Other subsidiaries	4	4	38	42	111.3	439	452	103.0						
Consolidated totals for Japan		36	36	285	305	106.9	15,985	16,739	104.7	876	924	105.5	1,718	1,811	105.4
7	Overseas corrugated packaging subsidiaries	6	7	4	5	129.8	144	52	36.1				81	111	137.0
8	Overseas flexible packaging subsidiaries	1	1	1	2	227.9	60	121	201.7						
9	Overseas heavy duty packaging subsidiaries	1	1	0	1	287.4	1	15	1,500.0						
Consolidated totals for overseas		8	9	5	8	154.9	205	188	91.7				81	111	137.0
10	Companies subject to the equity method	8	8				111	-2	-						
Intersegment elimination				-66	-72	-	-607	-512	-						
Total		52	53	225	241	107.1	15,694	16,413	104.6						

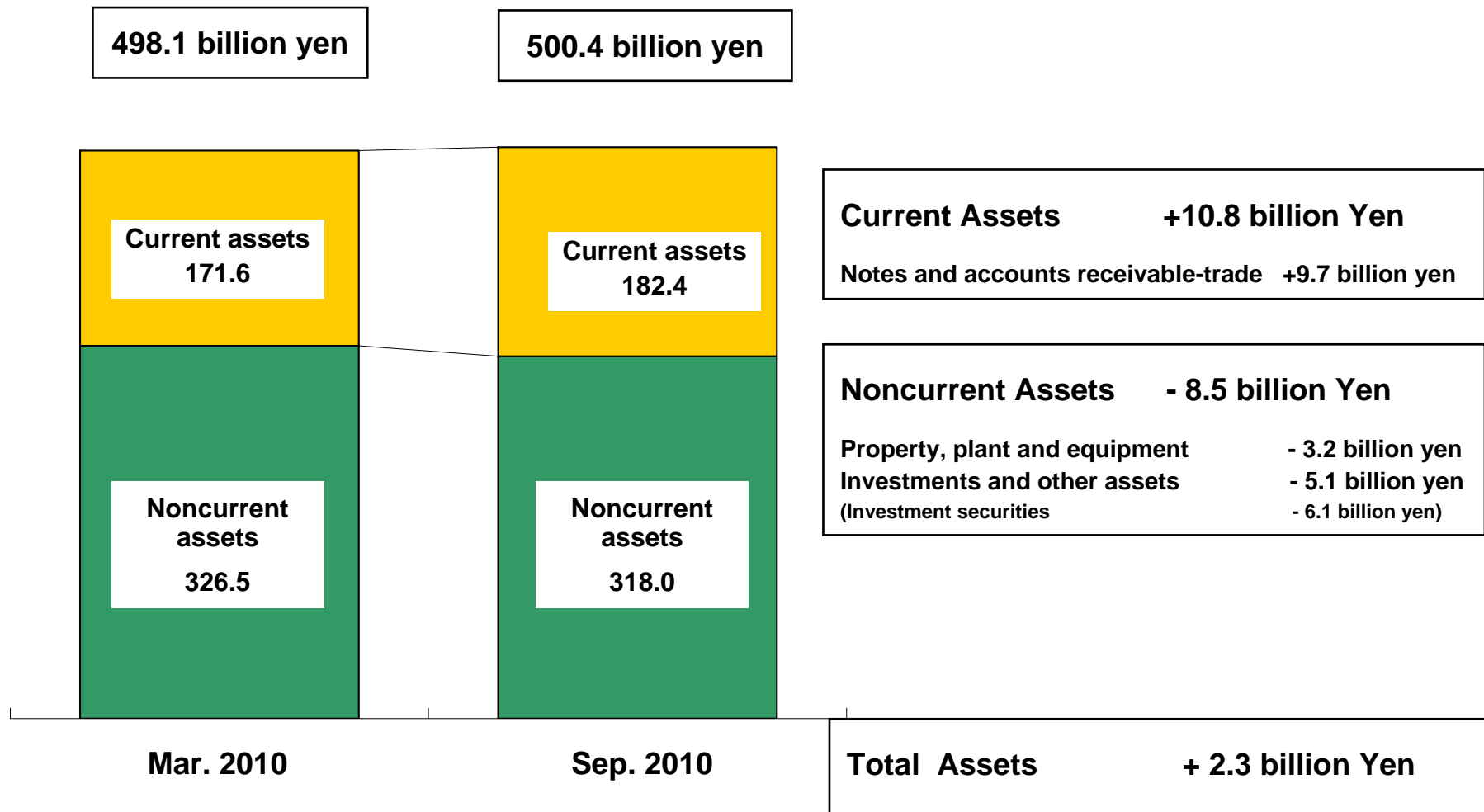
*1. Changes in subsidiaries compared to the first half of prior year are as follows:

1 million m² = 10.8 million square feet

- Chuo Danboru Co., Ltd. and Dalian Guoli Packaging Co., Ltd. became consolidated subsidiaries.
- Nikko Resin Co., Ltd. was taken over by Nihon Matai Co., Ltd.
- As for Results for 1H 2009 of Nihon Matai Group (Nihon Matai Co., Ltd., Tachikawa Danboru Kogyo Co., Ltd., Matai Shiko Co., Ltd., Tohoku Asahi Danboru Kogyo Co., Ltd., Nikko Resin Co., Ltd., Jiangsu Zhongjin Matai Medicinal Packaging Co., Ltd., and Matai (Vietnam) Co., Ltd.), only second quarter results (3 months) were reflected on the income statements.
- As for Nikko Resin's results for 1H 2010, only first quarter results (3 months) were reflected on the income statements.

*2. The effective year-on-year comparison excludes the effects from changes concerning subsidiaries.

8. Consolidated Assets



9. Consolidated Liabilities and Net Assets

498.1 billion yen

500.4 billion yen

<p>Current liabilities 208.7</p>		<p>Current liabilities 214.1</p>
<p>Noncurrent liabilities 125.5</p>		<p>Noncurrent liabilities 126.1</p>
<p>Net assets 163.9</p>		<p>Net assets 160.2</p>

Mar. 2010

Sep. 2010

Liabilities **+6.0 billion Yen**

Notes and accounts payable-trade + 4.6 billion yen

Corporate bonds + 9.6 billion yen

Long- and short-term debt - 4.4 billion yen

Net Assets **- 3.7 billion Yen**

Retained earnings + 6.8 billion yen

Treasury stocks - 5.5 billion yen

Valuation and translation adjustments - 4.4 billion yen

Change in interest-bearing debt (including discounted bills)
 March 31, 2010: 199.5 billion yen
 September 30, 2010: 205.0 billion yen, up 5.5 billion yen

10. Consolidated Statements of Cash Flows

(Unit: billion yen)

	Results for the first half of FY 2009	Results for the first half of FY 2010
Net cash provided by (used in) operating activities	18.9	16.6
Net cash provided by (used in) investing activities	-8.3	-13.5
Net cash provided by (used in) financing activities	-5.4	-2.3
Exchange rate changes	0.1	-0.1
Change in cash and cash equivalents	5.2	0.7
Balance of cash and cash equivalents at beginning of fiscal year	9.6	14.3
Change in cash and cash equivalents as a result of changes in consolidation	0.0	0.1
Balance of cash and cash equivalents at end of fiscal year	14.9	15.0
Interest coverage ratio (times)	13.0	12.5

11. Assumptions Concerning Projections for FY2010

The assumptions underlying the calculation of projected financial results for FY2010 are as follows.

Assumptions for the second half of FY2010:

Containerboard

Raw materials (recovered paper) costs:	Current levels
Domestic production volume:	3.7% higher than FY2009
Sales prices	Current sales prices

Corrugated packaging

Domestic production volume:	2.9% higher than FY2009
Sales prices	Current sales prices

Notes concerning Projections of Financial Results

The content of the projections of financial results stated in these materials was prepared based on information currently available. The projected values indicated do not constitute a guarantee that future plans will be achieved.

12. Projections of Consolidated Statements of Income for FY2010

(Unit: billion yen)

	Results for FY2009	Projections for FY2010	YOY	Difference	Previous projections for FY2010	Compared to previous projections	Difference
Net sales	457.4	478.0	104.5%	20.6	473.0	101.1%	5.0
Operating income	33.7	31.5	93.4%	-2.2	28.5	110.5%	3.0
Ordinary income	31.4	30.0	95.6%	-1.4	27.0	111.1%	3.0
Extraordinary gain and loss	-1.8	-1.8	-	0.0	-1.5	-	-0.3
Net income	17.0	16.0	94.2%	-1.0	15.0	106.7%	1.0

Main factors underlying extraordinary gain and loss (FY2010)

Extraordinary losses

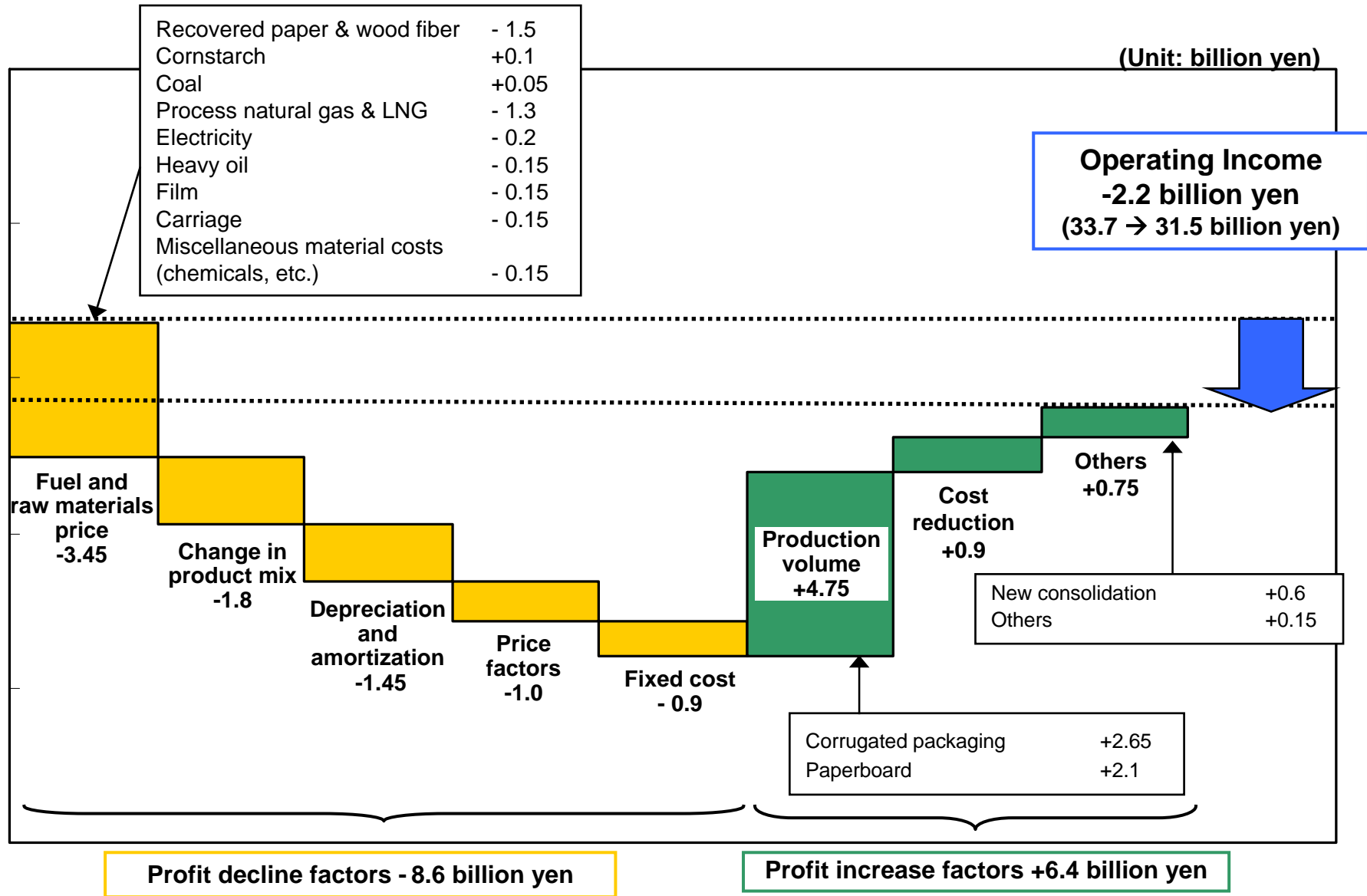
Environmental measures expenses

-1.1 billion yen

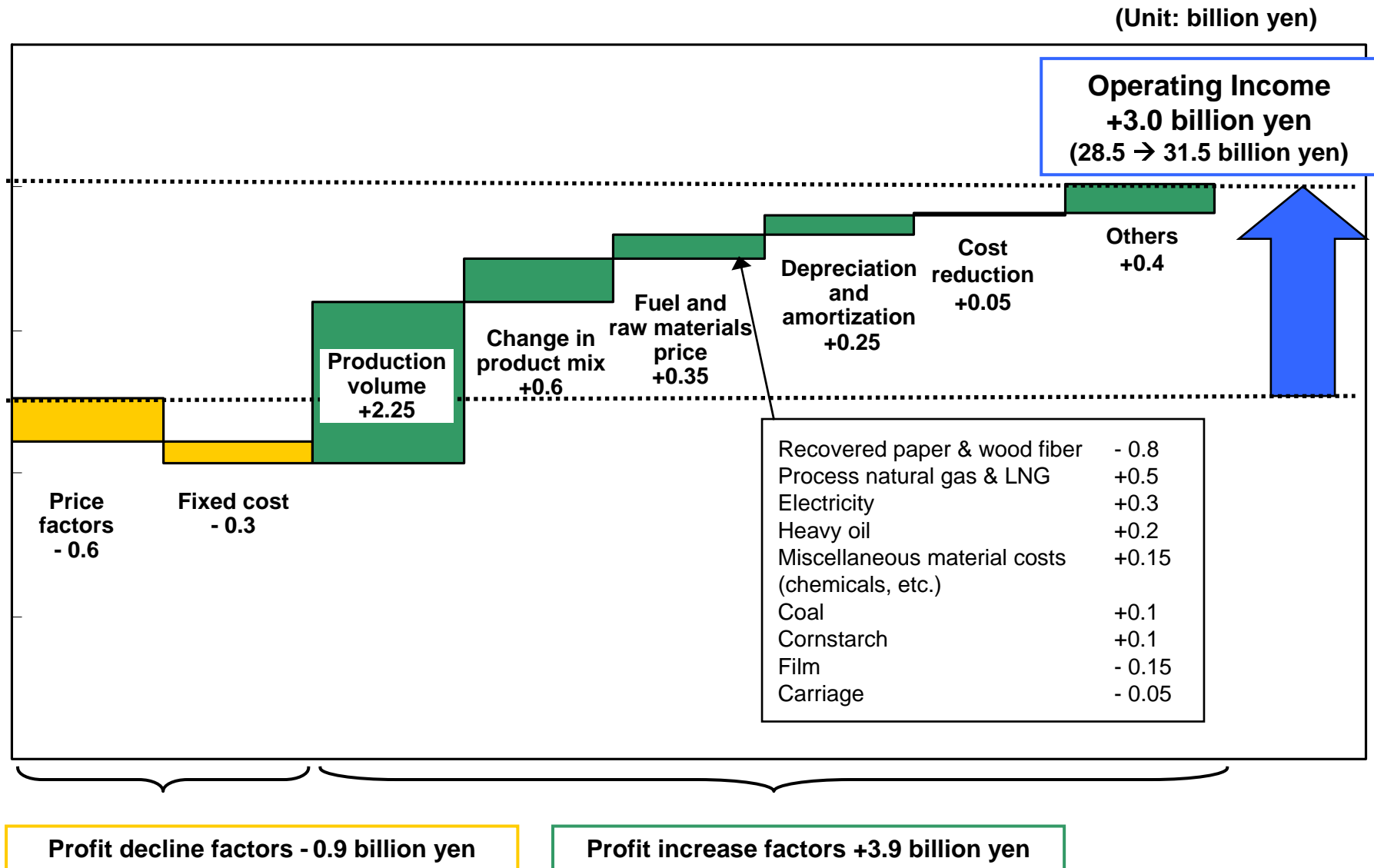
Loss on revaluation of investments in securities

-0.5 billion yen

13. Factors Contributing to Change in Projected Consolidated Operating Income (YOY)



14. Factors Contributing to Change in Consolidated Operating Income (compared to previous projections)



15. Detailed Consolidated Performance (Projections for FY2010)

		No. of Companies subject to consolidated accounting 1		Net sales (billion yen)			Ordinary income (million yen)			Production volume of containerboard (thousand tons)			Production volume of corrugated board (million m2)		
		Results for FY2009	Projections for FY2010	Results for FY2009	Projections for FY2010	YOY	Results for FY2009	Projections for FY2010	YOY	Results for FY2009	Projections for FY2010	YOY	Results for FY2009	Projections for FY2010	YOY
1	Rengo (unconsolidated)	1	1	280	288	102.7	22,180	20,000	90.2	1,511	1,585	104.9	1,923	1,983	103.1
2	Paper manufacturing subsidiaries in Japan	2	2	22	22	98.2	2,326	1,604	69.0	238	245	102.9			
3	Corrugated packaging subsidiaries in Japan	26	27	135	140	103.9	4,807	5,780	120.2				1,500	1,583	105.5
4	Flexible packaging subsidiaries in Japan	1	1	45	46	103.2	828	715	86.4						
5	Heavy duty packaging subsidiaries in Japan	2	1	21	26	126.8	1,019	1,307	128.3						
6	Other subsidiaries	4	4	78	85	109.3	748	840	112.3						
Consolidated totals for Japan		36	36	580	607	104.6	31,908	30,246	94.8	1,749	1,830	104.6	3,423	3,566	104.2
7	Overseas corrugated packaging subsidiaries	6	7	9	11	122.1	333	103	30.9				179	218	121.8
8	Overseas flexible packaging subsidiaries	1	1	3	4	145.5	169	247	146.2						
9	Overseas heavy duty packaging subsidiaries	1	1	1	2	166.5	32	38	118.8						
Consolidated totals for overseas		8	9	13	16	130.9	534	388	72.7				179	218	121.8
10	Companies subject to the equity method	8	8				-183	-19	-						
Intersegment elimination				-135	-145	-	-874	-615	-						
Total		52	53	457	478	104.5	31,385	30,000	95.6						

*1. Changes in subsidiaries compared to the first half of prior year are as follows:

- Chuo Danboru Co., Ltd. and Dalian Guoli Packaging Co., Ltd. became consolidated subsidiaries.
- Nikko Resin Co., Ltd. was taken over by Nihon Matai Co., Ltd.
- As for Results for FY2009 of Nihon Matai Group (Nihon Matai Co., Ltd., Tachikawa Danboru Kogyo Co., Ltd., Matai Shiko Co., Ltd., Tohoku Asahi Danboru Kogyo Co., Ltd., Nikko Resin Co., Ltd., Jiangsu Zhongjin Matai Medicinal Packaging Co., Ltd., and Matai (Vietnam) Co., Ltd.), after second quarter results were reflected on the income statements.
- As for Nikko Resin's results for 1H 2010, only first quarter results (3 months) were reflected on the income statements.

*2. The effective year-on-year comparison excludes the effects from changes concerning subsidiaries.

16. Major Financial Indicators

(Unit: million yen)

	Results for FY2009	Results for the first half of FY2010	Projections for FY2010
Net sales	457,386	240,700	478,000
Net income	16,986	8,025	16,000
Total assets	498,137	500,385	505,000
Total shareholder's equity 1	159,384	156,221	165,000
Net assets	163,926	160,181	170,000
Interest-bearing debt	199,508	204,975	200,000
Capital expenditures	29,363	10,077	25,500
Depreciation and amortization	25,222	12,826	26,500
Cash dividends applicable to the year (yen)	10.00	6.00	12.00
Return on equity (ROE) 2	11.5%	-	9.9%
Total shareholders' equity to total assets 3	32.0%	31.2%	32.7%
EBITDA 4	58,948	-	58,000
D/E Ratio 5	1.3	1.3	1.2
Ratio of net sales to interest-bearing debt 6	43.6%	-	41.8%
Recurring profit margin	6.9%	6.8%	6.3%

1. Total shareholders' equity = Net assets – Minority interests
2. Return on equity (ROE) = Net income/average equity capital during the fiscal year × 100 (%)
3. Capital adequacy ratio = Total shareholder's equity at end of year/total assets at end of year × 100 (%)
4. EBITDA = Operating income + depreciation and amortization expenses
5. D/E ratio = Interest-bearing debt/Total shareholder's equity (times)
6. Ratio of net sales to interest-bearing debt = Interest-bearing debt/Net sales × 100 (%)

Contact: Finance and Investors Relations Dept.
Finance and Accounting Group
Rengo Co., Ltd.

Nakanoshima Central Tower,
2-2-7 Nakanoshima, Kita-ku, Osaka, Japan

Tel: +81-6-4706-9649 E-mail: ir@rengo.co.jp
<http://www.rengo.co.jp/>

RENGO co., LTD.